



MICHAEL J. MURPHY
State Treasurer

State of Washington
Office of the Treasurer

This report, prepared in accordance with RCW 43.08.150, details the operations of the Office of the State Treasurer during June 2003. In this month's report we feature the state's debt management program, which includes the state's bond, certificate of participation and school bond guarantee programs.

The State Finance Committee, composed of the governor, lieutenant governor and state treasurer, the latter being designated by law as chairman, entered the financial market five times during fiscal year 2003, with a total issuance of \$1.53 billion in general obligation and motor vehicle fuel tax general obligation bonds. As of June 30, 2003, outstanding Washington state bond indebtedness totaled \$8.548 billion. In addition to debt owed, there remains \$3.5 billion that is authorized, but not issued.

As of June 30, 2003, the state of Washington's general obligation debt was rated Aa1 by Moody's Investor Service, AA by Fitch Ratings and AA+ by Standard & Poor's Rating Group (S & P). In July 2002, S & P placed a negative outlook on Washington's general obligation bonds.

The State Finance Committee took advantage of the historically low interest rates that prevailed through FY 2003 to do three refunding bonds and one COP refunding issue. These refundings will save taxpayers over \$65 million (net present value) in future interest payments.

Sincerely,

MICHAEL J. MURPHY
STATE TREASURER